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The opinion in support of the decision being entered today is  
not binding precedent of the Board.

Paper No. 11

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE BOARD OF PATENT APPEALS  
AND INTERFERENCES

Ex parte KOZO YAMAGUCHI and YOSHINORI MIYAISHI

Appeal No. 2001-1596  
Application 09/296,102

ON BRIEF

Before CALVERT, FRANKFORT, and NASE, Administrative Patent Judges.

CALVERT, Administrative Patent Judge.

DECISION ON APPEAL

This is an application for reissue of patent No. 5,643,119 ("the patent"), which issued on July 1, 1997, based on Application 08/574,914, filed December 19, 1995 ("the original application"). The instant application was filed on April 21, 1999.

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Appellants seek review of the final rejection of August 4, 2000 (Paper No. 7), in which the examiner rejected claims 1 to 14 as being unpatentable for failure to comply with 35 U.S.C. § 251. Claim 15, the other claim in the application, was indicated as being allowable if rewritten in independent form.

Background

The patent contains 14 claims. Claim 1, the only independent claim, reads (emphasis added) :

1. A hybrid vehicle powertrain, comprising:  
an internal combustion engine for driving an engine output shaft and thereby generating mechanical energy;  
a generator for converting said mechanical energy into electricity;  
an electric motor driven by said electricity to output rotational power at a motor output shaft;  
a differential gear unit including at least three elements, the first connecting to said generator, the second connecting to a first gear and the third connecting to said internal combustion engine;  
a second gear connected to said motor output shaft; and  
a counter shaft connected to an output differential gear unit and having mounted thereon a third gear meshing with the first and second gears; and  
wherein said internal combustion engine, differential gear unit and generator are aligned on a first axis, said electric motor is aligned on a second axis parallel to the first axis, said counter shaft is aligned on a third axis parallel to the first and second axes, said output differential gear unit is aligned on a fourth axis parallel

to the first, second and third axes, and the third axis is disposed inside of a triangle defined by the first, second and fourth axes viewed on end.

A review of the file of the original application shows that claims 1 to 14 were allowed in the first Office action (Paper No. 7, Nov. 19, 1996). The claims allowed were as originally filed, except for a few minor amendments made by the examiner with the authorization of appellants' attorney.<sup>1</sup>

Page 3 of the action included the following paragraph:

The following is an examiner's statement of reasons for allowance: The prior art of record does not disclose or render obvious a motivation to provide for a powertrain as defined by the limitations of claim 1, including an internal combustion engine and a generator both connected to a differential and all three are aligned on a first axis, the electric motor aligned on a second parallel axis, a counter shaft aligned on a third axis having a gear which meshing [sic: meshes] with the second gear of the motor and the first gear of the differential and which countershaft is also connected to an output differential mounted on a fourth axis, and the third axis is inside a triangle defined by the first, second and fourth axes viewed on end.

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<sup>1</sup>The examiner inserted --powertrain-- after "hybrid vehicle" in the preamble of each of claims 1 to 14; changed "said" in line 13 of claim 1 to --an output--; inserted --output-- after "first and second axes, said" in line 20 of claim 1; and inserted --output-- after "for driving said" in line 2 of claim 2.

Appellants were then advised that "[a]ny comments considered necessary by applicant [sic] must be submitted no later than the payment of the issue fee" (action, page 4).

In the present reissue application, appellants seek to delete from patent claim 1 the language underlined above, and to include it in a new dependent claim 15, appellants asserting in paragraph 7 of the new reissue declaration (filed Jan. 4, 2000) that this language "was erroneously included in claim 1 [and] was not necessary either for a complete definition of our invention or for distinguishing the prior art." Thus, the application seeks to enlarge the scope of claims 1 to 14 of the patent, and was properly filed within two years from the grant of the patent, as provided by the fourth paragraph of 35 U.S.C. § 251. However, the examiner considers claims 1 to 14 to be unpatentable under § 251 because they are "an improper recapture of broadened claimed subject matter surrendered in the application for the patent upon which the present reissue is based" (answer, page 3). Specifically, the examiner takes the position that (answer, pages 3 to 4):

The record of the application for the patent shows that the broadening aspect (in the reissue) relates to subject matter that applicant previously surrendered during the prosecution of the application. Accordingly, the narrow scope of the claims in the patent was not an error within the meaning of 35 U.S.C. § 251, and the broader scope surrendered in the application for the patent cannot be recaptured by the filing of the present reissue application.

The patent claims 1-14 were allowed on the basis of Examiner's Statement of Reason(s) for Allowance, . . . [quoted supra].

Claim 1, as presented in this reissue application, seeks to broaden the coverage by the removal of the limitation of, "the third axis [is] disposed inside [of] a triangle defined by the first, second and fourth axes viewed on end."

Since applicant did not present on the record a counter statement or comment as to the examiner's reasons for allowance, and permitted the claims to issue, the omitted limitation is thus established as relating to subject matter previously surrendered.

#### Opinion

After reviewing the record in light of the arguments presented in appellants' brief and in the examiner's answer, we conclude that the rejection is not well taken.

35 U.S.C. § 251 provides that a patent may be reissued if it is deemed wholly or partly inoperative or invalid "through error without any deceptive intention." Under the recapture rule, there cannot be said to be an "error" within the meaning

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of § 251

"[i]f the patentee tries to recapture what he or she previously surrendered in order to obtain allowance of original patent claims." Mentor Corp. v. Coloplast Inc., 998 F.2d 992, 995, 27 USPQ2d 1521, 1524 (Fed. Cir. 1993).

The reissue statute is "based on fundamental principles of equity and fairness, and should be construed liberally." Hester Industries, Inc. v. Stein, Inc., 142 F.3d 1472, 1479, 46 USPQ2d 1641, 1647 (Fed. Cir. 1998), quoting In re Weiler, 790 F.2d 1576, 1579, 229 USPQ 673, 675 (Fed. Cir. 1986). When the Office action allowing the claims in the original application was issued on Nov. 19, 1996, the rule concerning reasons for allowance, 37 CFR § 1.109, provided in its last two sentences (emphasis added):

The applicant or patent owner may file a statement commenting on the reasons for allowance within such time as may be specified by the examiner. Failure to file such a statement shall not give rise to any implication that the applicant or patent owner agrees with or acquiesces in the reasoning of the examiner.

Effective Dec. 1, 1997, § 1.109 was removed and its substance incorporated into § 1.104 as § 1.104(e) (1203 O.G. 63, 79 (Oct. 21, 1997)). Subsequently, effective Nov. 7, 2000, § 1.104(e)

was amended by deleting its last sentence (underlined above), the accompanying discussion stating that this statement in the rule was "obsolete and out of step with recent case law" and citing as examples of such case law four decisions of the United States Supreme Court and Court of Appeals for the Federal Circuit<sup>2</sup> (1238 O.G. 77, 103 (Sep. 19, 2000)).

Appellants argue that, in not filing a statement or comments in response to the examiner's reasons for allowance, they were entitled to rely on the above-noted provision of the last sentence of 37 CFR § 1.109/1.104(e), i.e., that failure to file such a statement would not give rise to any implication that they agreed with or acquiesced in the examiner's reasoning. We agree. It has been held that an applicant should be entitled to rely on the statutes, Rules of Practice and provisions of the MPEP in the prosecution of his patent application. In re Kaghan, 387 F.2d 398, 401, 156 USPQ

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<sup>2</sup> Warner-Jenkinson Co. v. Hilton Davis Chem. Co., 520 U.S. 17, 41 USPQ2d 1865 (1997); Markman v. Westview Instruments, 52 F.3d 967, 34 USPQ2d 1321 (Fed. Cir. 1995), aff'd, 517 U.S. 320, 38 USPQ2d 1461 (1996); Vitronics Corp. v. Conceptronic Inc., 90 F.3d 1576, 39 USPQ2d 1573 (Fed. Cir. 1996); Zenith Labs., Inc. v. Bristol-Myers Squibb Co., 19 F.3d 1418, 30 USPQ2d 1285 (Fed. Cir. 1996).

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130, 132 (CCPA 1967). The examiner here appears to be of the opinion that the 37 CFR § 1.109/1.104(e) provision negating any implication of acquiescence from applicant's failure to respond to the examiner's reasons for allowance was in some manner invalid because contrary to case law. However, it is well settled that the rules of the PTO have the force and effect of law unless they are inconsistent with statutory provisions, In re Rubinfield, 270 F.2d 391, 395, 123 USPQ 210, 214 (CCPA 1959), cert. denied, 362 U.S. 903 (1960), and neither any of the cases cited in footnote 2, supra, nor any other decision of which we are aware, has specifically held this provision of 37 CFR § 1.109/1.104(e) to be inconsistent with the statute or otherwise invalid. To penalize appellants for having relied on a provision of the rules which was in effect at the time of their reliance would be contrary to the fundamental principles of equity and fairness on which the reissue statute is based. Hester Industries, supra.

In effect, the examiner seems to be retroactively applying the Nov. 7, 2000 amendment of the rules, supra, by

which this provision was removed from § 1.104(e), but an agency does not have the authority to promulgate retroactive rules unless expressly given that authority by Congress, Motion Picture Assn. of America Inc. v. Oman, 969 F.2d 1154, 1156, 23 USPQ2d 1447, 1449 (D.C.Cir. 1992), and the PTO has not been given such authority.

Moreover, even if present 37 CFR § 1.104(e) had been in effect when appellants' original application was pending, we do not consider that the recapture rule would preclude them from obtaining the claims now on appeal.

Discussing what may constitute a surrender for purposes of the recapture rule, the Court in Hester Industries, 142 F.3d at 1481, 46 USPQ2d at 1648, stated that:

as a general proposition, in determining whether there is a surrender, the prosecution history of the original patent should be examined for evidence of an admission by the patent applicant regarding patentability. . . . In this regard, claim amendments are relevant because an amendment to overcome a prior art rejection evidences an admission that the claim was not patentable. . . . Arguments made to overcome prior art can equally evidence an admission sufficient to give rise to a finding of surrender. . . . Logically, this is true even when the arguments are made in the absence of any claim amendment. Amendment of a claim is not the only permissible predicate for establishing a surrender.

In the present case, the claims in appellants' original application were, as noted previously, allowed in the first Office action. Consequently, the prosecution history of the original application contains none of the evidence relevant to surrender discussed in Hester Industries, supra, in that it contains neither any amendments to the claims<sup>3</sup>, nor any arguments made by appellants to overcome prior art or for any other purpose. Appellants' only "argument" was their lack of response to the examiner's statement of reasons for allowance, and we know of no decision which holds that, under the recapture rule, a surrender may result from an applicant's failure to act, as opposed to taking a positive action such as changing the claims or presenting an argument.

However, even if it might be considered that, by analogy to prosecution history estoppel, a surrender may arise from an applicant's failure to file a statement or comments in response

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<sup>3</sup> Except for the minor amendments made by the examiner (see footnote 1, supra) which are not relevant here.

to the examiner's statement of reasons for allowance<sup>4</sup>, it is not evident here what appellants could be said to have surrendered by their non-response. As they aptly state on page 12 of their brief:

The nature of the examiner's statement of "Reasons for Allowance" did not invite any "counter statement or comment." Comparing the examiner's "Reasons for Allowance" with claim 1 as issued, it can be appreciated that the "Reasons for Allowance" were merely a paraphrasing of substantially the entirety of claim 1. . . . The fact that the examiner's "Reasons for Allowance" were simply a restatement of the entirety of claim 1 as allowed, indicates that the examiner did not attribute patentability to any one or several features recited by the claim but, rather, found that the claim as a whole distinguished over the prior art, a conclusion which no applicant would want to dispute because it amounts to no more than a recognition that the whole of a claim must be considered in determining its patentability. Panduit Corp. v. Dennison Manufacturing Co., [810 F.2d 1561,] 1 USPQ2d 1593 (Fed. Cir. 1987). Applicants could not have reasonably be [sic: been] expected to argue against such a finding.

If the examiner's position here were carried to its logical conclusion, appellants would be precluded by the

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<sup>4</sup> For example, such a lack of response was considered as a factor in the prosecution history limiting the interpretation of the patent claims in Elkay Mfg. Co. v. Ebco Mfg. Co., 192 F.3d 973, 979, 52 USPQ2d 1109, 1113-14 (Fed. Cir. 1999).

recapture rule from enlarging the scope of their patent claim 1 in any respect whatsoever. In our view, such an interpretation of the recapture rule would improperly have the effect of nullifying that portion of § 251 which permits, where appropriate, enlarging the scope of patent claims. This would be contrary to the purpose of the reissue statute, which is "to remedy errors." In re Bennett, 766 F.2d 524, 528, 226 USPQ 413, 416 (Fed. Cir. 1985).

Conclusion

We conclude that appellants surrendered nothing during the prosecution of their original application. Consequently, the recapture rule is inapplicable here, and the examiner's decision to reject claims 1 to 14 is reversed.

REVERSED

IAN A. CALVERT )  
Administrative Patent Judge )  
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